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Organizational change in its context. A theoretical and empirical study of the linkages between organizational change projects and their administrative, strategic and institutional environment

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SUMMARY

This dissertation deals with the multi-level analysis of organizational change projects. Empirical examples are taken from the COB-SER participation experiments which took place in the Netherlands between 1977 and 1983.

Chapter 1 introduces the problem, the development of a research strategy which accounts for the contextual nature of organizational change projects. This research strategy combines elements from sociology, general systems theory and organization theory, and broadens the usual project-centred perspective by emphasizing the systemic, multi-level and socio-political nature of organizational change. The research strategy is based on a realist epistemology; it considers the organization both as a social structure and a system of interaction. Methodologically, the interaction between induction and deduction is emphasized. For pragmatic reasons, this study uses qualitative methods.

Chapter 2 contains the theoretical framework on which the research strategy is based. The research strategy is further explained:

- One should analyse changes on various levels as partly autonomous, partly interdependent processes. One should not confine one's attention to the level of the project, because its fate is conditioned by what happens outside.
- One should analyse changes as the outcome of political processes, which can be understood as games in which social actors with their interests and power positions change the rules as an outcome of their games.
- Where change stagnates, one should look for causes on levels other than where this stagnation occurs.
- One should pay attention to discontinuities in change processes. What seems a stable situation may in fact be a gestation period leading to radical change; what seems a dynamic process may in fact be the preparation for a standstill.

These intuitively formulated elements of the research strategy are given further substance in this chapter by explicitly linking them to theory. The notion of a hierarchical system plays a central role in the further clarification of the idea of multi-level analysis. Multi-

level analysis is concerned with analysing vertical constraints between levels in a hierarchical system. Cybernetic terms like morphogenesis and morphostasis are introduced to give meaning to change as a systemic phenomenon. The nature of *social systems* is given substance by means of the rule system concept. Social systems are systems of rule-governed behaviour; social change - and this includes organizational change - can thus be defined as the morphogenesis of rule systems. The political nature of social change is expressed in the game concept: rule systems are changed in games, patterns of complex political interactions. Linking such ideas on social change to cybernetics, the discontinuous nature of social change is dealt with. Crisis and ambiguity accompany changes in rule systems.

Chapter 3 deals with the methods used in the empirical analysis. General considerations concerning the use of qualitative research on political processes and the reconstruction of rules are followed by a specification of these methods with regard to the COB-SER. Qualitative research is useful: when theory in the field of enquiry is (still) underdeveloped, where one deals with open systems, where the usual indirect observation methods of social science are inadequate, where one investigates processes, and, finally, in cases where such research can easily be combined with practical work in organizations.

The analysis of rule systems involves special problems concerning the reconstruction of systems of meaning. Historical research often gives insight into rule systems in the present. In interviews and the analysis of written material, special attention should be paid to 'silences'. Political processes constitute a special challenge to the researcher, because the central phenomenon - power - is often expressed unobtrusively. The multi-level character of the analysis should ideally already be accounted for in the collection of empirical data. Information should be gathered which gives insight into the nesting of one level into another.

The COB-SER study, the empirical basis of the dissertation, used a variety of methods: secondary analysis of project reports, supplementary interviews, participation in various meetings, and historical background study.

Chapter 4 gives an overview of the COB experiments and provides a concise map of the territory of the empirical study. The series was announced as part of government policy in 1973 by Prime Minister Joop den Uyl. A policy for the experiments was developed by the Social Partners in COP-SER, a committee of the Socio-Economic Council, between 1974 and 1977. A policy note appeared in 1977, providing for ten experiments for the duration of three years each.

Thirteen experiments a overall evaluation repo characterized the thirte

Chapter 5 deals with born. The issue of par labour market, indust unions in the sixties a mination - leading to an important backgrou their formal link with social) science played ganizations. The move in the North-American logy. The COB-SER built up in the period Second World War. At system was disintegrati

Chapter 6. Six of the in detail in this ci (psychiatric hospital), Gend en Loos (transp cases is analysed at tl trative level.

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The project in *Hui* institutional conflicts was the outcome of a regulated the particip in the treatment of p be explained by its problems.

The experiment i the institutional level tion movement and th datum was Moes's r de-coupling between

Thirteen experiments actually took place between 1977 and 1983. The overall evaluation report appeared in 1985. Rather moderate results characterized the thirteen projects.

Chapter 5 deals with the context from which the experiments were born. The issue of participation was closely related to tensions on the labour market, industrial conflict, and a reorientation of the trade unions in the sixties and seventies. The political debate on co-determination - leading to major legal changes in 1972 and 1979 - formed an important background for the COB-SER experiments, because of their formal link with the co-determination debate. Behavioural (or social) science played a central role in social experiments in organizations. The movement of participative management had its roots in the North-American Human Relations movement and social psychology. The COB-SER experiments were still based on a rule system built up in the period of economic and social reconstruction after the Second World War. At the time of the COB-SER experiments this rule system was disintegrating, however.

Chapter 6. Six of the thirteen COB-SER experiments are dealt with in detail in this chapter: Van Besouw (textile), Huize Padua (psychiatric hospital), Moes (construction), Breman (installations), Van Gend en Loos (transport), and De Sleutels (flour). Each of the six cases is analysed at the institutional, the strategic and the administrative level.

The case of *Van Besouw* originated at the institutional level, in Roman Catholic corporative philosophy. The change agent followed a bottom-up strategy by first taking stock of the wishes, demands and complaints of the employees. The experiment's fate - it ended in disagreement - was conditioned by developments at the strategic level. Serious strategic problems put an end to the experiment. No structural forms had been brought about.

The project in *Huize Padua*, a psychiatric hospital, had its roots in institutional conflicts in the mental health sector. An internal statute was the outcome of an organization development project. The statute regulated the participation in decision-making of employees involved in the treatment of patients. This initial success of the project can be explained by its contribution to coping with central strategic problems.

The experiment in *Moes Construction Co-operative* was born at the institutional level, in a combination of the academic democratization movement and the co-operative movement. An important strategic datum was Moes's recent growth. The project showed a process of de-coupling between the strategic problems of the firm and the in-

stitutionally generated problems of co-operative ideology. The internal consultation structure set up in the project was no great success.

The *Breman* project was a sequel to a number of legal changes which had taken place in the sixties and seventies. These changes were closely related to evolving Christian Democratic thought in the Netherlands. The experiment's origin can thus be located at the institutional level. Strategically, the chosen structure also made sense, providing for a combination of entrepreneurial flexibility and social integration. The decoupling between symbolic issues created at the institutional level and the reality of daily business was, however, a major barrier to the COB-SER project. The activities of the change agents - educating the employees and setting up internal consultation structures - remained rather marginal.

The *Van Gend en Loos* project had its origin in the industrial relations in the transport sector. The union's policy with regard to the works councils induced the management to start the project, which never really began because of the blocked conflict at this institutional level. The recommendations of the researchers with regard to the organizational structure and internal consultation were not implemented.

The project in the *Flour Mill De Sleutels* had its origin in the social policies of the Meneba company, designed in a period of industrial conflict. The Organization Development Project in De Sleutels was also an answer to the strategic problem of tensions on the labour market. When industrial conflict and the tensions on the labour market had disappeared, the support for the Organization Development project waned. The internal consultation structures, after the enthusiasm of their start was over, withered away.

Chapter 7 gives an impression of the institutional and politico-economic changes in the background of the COB-SER experiments. The stagnation of economic growth, the globalization of competition, the introduction of new technologies, the revival of entrepreneurial ideologies, a crisis in trade unionism and a political move to the right characterized the changing climate for social experiments in organizations. The crisis of the corporatist system of industrial relations undermined the structure of which the COB-SER experiments were part. Related to the crisis of the Welfare State was the changed position of behavioural science. A combination of internal confusion and external delegitimation jeopardized the role of behavioural science as mediating agent in the field of industrial relations. The COB-SER experiments took place in a period of institutional transition.

Chapter 8 contains an analysis of the institutional level in the COB-SER experiments as a series of individual experiments taken together as a whole. Taking the institutional level as a point of departure, the analysis tries to explain the differences between the COB-SER experiments and project failure can be explained by the definitions, a weak position of participating experts (both at the institutional level was a result of the global political and economic context between such forces and the strategic context of the COB-SER forces. Major differences between the COB-SER experiments related to their specific time - standing for change - explains many observations should not be overlooked. Careful observation of the autonomy of individual experiments and the multi-level nature of the COB-SER project.

Chapter 9 gives the methodological study, and tries to connect research and practice.

The research strategy was not adequate to the analysis of the COB-SER experiments. The scope in comparison with the COB-SER experiments contributed to an understanding of the factors that shaped the COB-SER experiments. It does not mean that the analysis mentioned in this chapter is the material used in the COB-SER experiments. The basis of the research strategy was the task, related to the COB-SER framework underlying the COB-SER experiments in the analysis.

On a practical level, the COB-SER experiments in this dissertation suggest a new way of organization of COB-SER experiments and distinguish well between COB-SER operational management and COB-SER has its own central position.

Chapter 8 contains an attempt to combine the analyses on the institutional level in chapters 5 and 7 with the reconstructions of the individual experiments in chapter 6 and some additional data on the series as a whole. Taking the general lack of substantive results as a point of departure, the analysis then proceeds in two directions. First, what explains this *general pattern*? Second, how can *differences* between experiments be explained? The general pattern of project failure can be explained as the result of outdated problem definitions, a weak position of COB-SER, a weak position of the participating experts (behavioural scientists); this combination on the institutional level was almost powerless against the societal forces of global political and economic change dealt with in chapter 7. The link between such forces and the individual projects became visible in the *strategic context* of the experiments, increasingly shaped by such forces. Major differences between experiments are shown to be related to their specific relationships to the wider context; time - standing for the combined institutional pattern of change - explains many differences between experiments. Such observations should not be read as vertical determinism, however. Careful observation of the individual case studies demonstrates the autonomy of individual experiments, a logical consequence of the multi-level nature of change.

Chapter 9 gives the major conclusions of the theoretical and empirical study, and tries to outline some implications for theory, empirical research and practice.

The research strategy developed in this dissertation has proven adequate to the analysis of the COB-SER experiment. The broadening of scope in comparison with the more usual project analysis contributed to an understanding of the origins of projects and the factors that shaped their continuity. This positive assessment does not mean that the analysis was problem-free. Two main categories are mentioned in this chapter. First, problems related to the empirical material used in the analysis, which had not been collected on the basis of the research strategy. Second, the complexity of the research task, related to the eclectic and therefore complicated theoretical framework underlying the research strategy, was a source of problems in the analysis.

On a practical level, the ideas on organizational change developed in this dissertation suggest that one should think of the management and organization of organizational change in hierarchical terms and distinguish well between institutional, strategic, administrative and operational management of change. Each level of change management has its own central problems and tasks. The view of organizational

change as a political process - very much standard in the present-day literature - should be refined by recognizing the differences between the political problems at different levels. More attention should be given to the *content* of political processes. Those who wish to change organizations should be aware of the change processes that are already taking place. One should build upon existing processes to create change.

Further development of theory is needed; much useful work could be done by conceptual clarification, the logical analysis of relationships between different change theories, and by linking theoretical discussions in the field of organizational change to broader theoretical debates in the social sciences. Empirical studies should be both well-connected to theory and concerned with issues of practical relevance - like the issue of strategic change - which are too important to leave to the managers and their advisers.

SAMENVATTING

*Organisatieverandering
onderzoek naar de
projecten en hun bestu*

Dit proefschrift behandelt
veranderingsprojecten.
COB-SER experimenten
plaatsvonden.

Hoofdstuk 1 introduceert
onderzoeksstrategie d
karakter van verander
bineert elementen uit
organisatietheorie, en
het project in het cen
en sociaalpolitieke ka
ken. Het onderzoek
schouwt de organisati
teem van interactie.
werking tussen indu
gebruikt het onderzoek

Hoofdstuk 2 bevat
zoeksstrategie is geba
de doeken gedaan:

- Men dient verander
nome. deels onder
moet zijn aandacht
aangezien het wel
er daarbuiten gebe
- Men dient verander
te analyseren, die
sociale actoren m
veranderen als uitl
- Waar verandering
ook op andere niv
- Men dient aandacht
processen. Wat een
heid een rijpings